



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	HB0730	<b>Title:</b>	Require plumbing inspection for new homes
<b>Primary Sponsor:</b>	Heinert, Ralph	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$64,339	\$61,018	\$62,543	\$64,107
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$51,750	\$69,000	\$69,000	\$69,000
<b>Net Impact-General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

#### Description of Fiscal Impact:

The fiscal impact is the cost associated with hiring one additional FTE to perform inspections on the 600 additional permits this will add.

### FISCAL ANALYSIS

#### Assumptions:

1. HB 730 adds single family dwellings connected to a public water supply or public sewage disposal system plumbed by homeowners to the installations required to be permitted and inspected by the department. The bill becomes effective October 1, 2007.
2. HB 730 adds approximately 600 permits and inspections to current plumbing inspection and permitting in each year of the 2008 biennium.
3. The department would require 1.00 FTE building codes inspector to accommodate the increased workload.

4. Costs associated with the additional FTE, based on an average cost per inspector in FY 2006, are estimated to be \$46,667 for salary and benefits, \$17,926 for operating expenses (including \$3,575 for a new employee office setup), and \$15,000 in FY 2008 only for a vehicle.
5. HB 730 goes into effect on October 1, 2007. Therefore a factor of 0.75 will be applied to expenses listed above.
6. An inflationary factor of 2.5% has been applied to FY 2010 and FY 2011.
7. The department will charge a permit fee, as allowed by administrative rule, at an average cost of \$115 per permit associated with HB 730. ( $115 \times 600 = \$69,000$ ). A factor of 0.75 will be applied to revenue generated in FY 2008.

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>Department of Labor and Industry</b>				
<b>FTE</b>	1.00	1.00	1.00	1.00
<b><u>Expenditures:</u></b>				
Personal Services	\$35,000	\$46,667	\$47,834	\$49,030
Operating Expenses	\$14,338	\$14,351	\$14,710	\$15,078
Equipment	\$15,000	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$64,339</b>	<b>\$61,018</b>	<b>\$62,543</b>	<b>\$64,107</b>
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue (02)	\$64,339	\$61,018	\$62,543	\$64,107
<b><u>Revenues:</u></b>				
State Special Revenue (02)	\$51,750	\$69,000	\$69,000	\$69,000
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
State Special Revenue (02)	(\$12,589)	\$7,982	\$6,457	\$4,893

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*Sponsor's Initials*


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*Date*


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*Budget Director's Initials*


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*Date*